



March 22, 2010

Mary F. Rupp
Secretary of the Board
National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314-3428

RE: Proposed Rule, 12 CFR Part 701 (Chartering and FOM)

Dear Ms. Rupp:

On behalf of the members, volunteers and employees of Sebasticook Valley Federal Credit Union, I thank you for the opportunity to comment on the proposed changes to Part 701, Chartering and Field of Membership for Federal Credit Unions.

It is our belief that there are a number of solid provisions in this proposed rulemaking and that the current Field of Membership (FOM) guidelines are far too narrow and rigid. As a rural credit union with a current FOM in three different counties we have been unable to expand our charter on the federal level and have contemplated a move to a state charter because of the application of the current FOM rule.

We welcome the proposed Rural District section of the rule as a flexible way to include credit union FOMs that don't fit within the confines of the other rule sections. Please accept the following comments and suggestions on improving the proposed rule.

2. Narrative Approach

While we would surely agree that the Narrative Approach is incredibly time consuming, it should be retained as a last measure of proving a "well defined local community". Over the years NCUA has strayed away from relying on this approach in favor of statistical measures and political jurisdictions. There will undoubtedly be cases where a very viable and prudent FOM should be granted but it will not fit in any of the neat boxes prescribed in the proposed rule. The Narrative Approach has value in these cases and is still a beneficial tool to building FOMs and should be retained as an option.

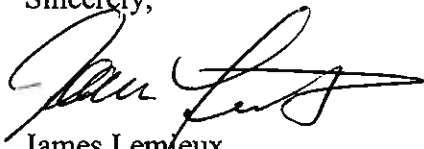
4. Rural District

While this section is certainly welcome, especially for states that are predominately rural in nature, the total population limitation of 100,000 is far too confining. We would suggest that in most cases a FOM would include a small city as they are the center of commerce and employment. It would not be uncommon across the country for those cities to have populations in excess of 25,000 themselves, effectively limiting a Rural District FOM to a small number of towns that would not be able to support a viable credit union. A population cap of 100,000 would not leave sufficient room for a reasonable service area and future expansion of the charter. There will certainly be occasions, ours is one, where a credit union may want to serve a larger FOM of small rural areas that would not be entirely contained within a single political jurisdiction, Metropolitan, or Micropolitan Statistical Area but that would have a total population greater than 100,000.

One would expect that the population area of a rural area would be less than a suburban WDLC, and the proposed regulation so states "The Board continues to believe that a rural district should be less densely populated and smaller in population than those areas that qualify as a WDLC". However, while allowing WDLC FOMs to have a population of up to 2.5 million and requiring rural FOMs to be under 100,000 will not allow the flexibility that the regulation wants, and should create. We submit that there should be greater parity between these two measures or that it should be removed altogether.

In closing I would commend the NCUA on noticing the flaws inherent in the current rule and taking the steps to correct them. With increased parity in relation to the WDLC population cap, the "Rural" section of the proposed rule will accomplish your goal of making chartering and expanding FOMs more streamlined and efficient. At the same time it will bring credit union services to some of the people most in need, those that reside in the rural areas of our country.

Sincerely,



James Lemieux
President